

AMENDMENTS TO LB 830

Introduced by Judiciary.

1 1. Strike the original sections and insert the following
2 sections:

3 Section 1. Sections 1 to 6 of this act shall be known and
4 may be cited as the Agritourism Insurance Act.

5 Sec. 2. For purposes of the Agritourism Insurance Act:

6 (1) Liability insurance means liability insurance
7 providing a minimum coverage of not less than one million dollars
8 written by an insurance company authorized to do business in this
9 state or obtained through a licensed surplus lines producer;

10 (2) Agritourism activities means activities that allows
11 persons who are members of the general public to view or
12 participate in (a) rural activities that are carried out on a
13 farm or ranch, including farming, ranching, hunting, fishing, and
14 historic, cultural, or natural attractions, and (b) outfitting when
15 vessels or inner tubes are rented for use on public or private
16 streams; and

17 (3) Small agritourism business means a private individual
18 or a private entity that provides agritourism activities and
19 derives or anticipates deriving net income of not more than five
20 hundred thousand dollars annually.

21 Sec. 3. The intent of the Agritourism Insurance Act is
22 to encourage the development of small agritourism businesses and
23 to encourage small agritourism businesses to acquire and maintain

1 liability insurance by granting such businesses a tax credit as
2 provided in the act.

3 Sec. 4. The Agritourism Insurance Fund is created. The
4 fund shall consist of funds transferred from the Local Civic,
5 Cultural, and Convention Center Financing Fund as provided in
6 section 13-2704. As soon after December 31 each year as possible,
7 the Department of Economic Development shall certify the amount of
8 income tax credits granted under section 5 of this act in the prior
9 calendar year to the State Treasurer who shall transfer such amount
10 from the Agritourism Insurance Fund to the General Fund. Any money
11 in the Agritourism Insurance Fund available for investment shall be
12 invested by the state investment officer pursuant to the Nebraska
13 Capital Expansion Act and the Nebraska State Funds Investment Act.

14 Sec. 5. (1) Beginning January 1, 2011, a small
15 agritourism business that acquires and maintains liability
16 insurance may apply to the Department of Economic Development for a
17 nonrefundable income tax credit as provided in this section.

18 (2) The application shall include (a) written evidence
19 from the business that such business meets the requirements for
20 being a small agritourism business and has acquired liability
21 insurance, (b) the cost of the liability insurance to the business,
22 and (c) an affidavit stating that the small agritourism business
23 intends to maintain such insurance for at least one year after
24 the tax credit is granted. If the liability insurance is not
25 so maintained, the small agritourism business shall repay to the
26 department the amount of the credit received with interest. The
27 department shall remit such repayment to the State Treasurer for

1 credit to the Agritourism Insurance Fund.

2 (3) The department shall grant the tax credit to
3 qualified applicants as the applications are received. A small
4 agritourism business for the first five years after it is open
5 for business may apply for the tax credit for a maximum of five
6 years, which shall be consecutive. The nonrefundable income tax
7 credit is an amount equal to twenty percent of the cost of the
8 liability insurance to the business, not to exceed two thousand
9 dollars annually. Any amount of the tax credit granted but not used
10 may be carried forward to the next tax year. A small agritourism
11 business shall reapply each year a tax credit is sought under the
12 Agritourism Insurance Act.

13 (4) The total amount of tax credits granted per year
14 under this section shall not exceed one hundred thousand dollars
15 from the Agritourism Insurance Fund. If the limitation is reached,
16 the department shall so notify applicants of any applications
17 received thereafter.

18 Sec. 6. The Department of Economic Development may adopt
19 and promulgate rules and regulations to carry out the Agritourism
20 Insurance Act.

21 Sec. 7. Section 13-2704, Reissue Revised Statutes of
22 Nebraska, as amended by section 8, Legislative Bill 3, One Hundred
23 First Legislature, First Special Session, 2009, is amended to read:

24 13-2704 The Local Civic, Cultural, and Convention Center
25 Financing Fund is created. The fund shall be administered by the
26 department. Transfers may be made from the fund to the General
27 Fund at the direction of the Legislature. The State Treasurer

1 shall transfer thirty percent of money credited to the Local Civic,
2 Cultural, and Convention Center Financing Fund, up to five hundred
3 thousand dollars per calendar year, to the Agritourism Insurance
4 Fund. Any money in the Local Civic, Cultural, and Convention Center
5 Financing Fund available for investment shall be invested by the
6 state investment officer pursuant to the Nebraska Capital Expansion
7 Act and the Nebraska State Funds Investment Act. The fund may be
8 used for assistance for the construction of new centers or the
9 renovation or expansion of existing centers. The fund may not be
10 used for planning, programming, marketing, advertising, and related
11 activities.

12 Sec. 8. Section 77-2715.07, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 77-2715.07 (1) There shall be allowed to qualified
15 resident individuals as a nonrefundable credit against the income
16 tax imposed by the Nebraska Revenue Act of 1967:

17 (a) A credit equal to the federal credit allowed under
18 section 22 of the Internal Revenue Code; and

19 (b) A credit for taxes paid to another state as provided
20 in section 77-2730.

21 (2) There shall be allowed to qualified resident
22 individuals against the income tax imposed by the Nebraska Revenue
23 Act of 1967:

24 (a) For returns filed reporting federal adjusted
25 gross incomes of greater than twenty-nine thousand dollars, a
26 nonrefundable credit equal to twenty-five percent of the federal
27 credit allowed under section 21 of the Internal Revenue Code of

1 1986, as amended;

2 (b) For returns filed reporting federal adjusted gross
3 income of twenty-nine thousand dollars or less, a refundable credit
4 equal to a percentage of the federal credit allowable under section
5 21 of the Internal Revenue Code of 1986, as amended, whether or
6 not the federal credit was limited by the federal tax liability.
7 The percentage of the federal credit shall be one hundred percent
8 for incomes not greater than twenty-two thousand dollars, and
9 the percentage shall be reduced by ten percent for each one
10 thousand dollars, or fraction thereof, by which the reported
11 federal adjusted gross income exceeds twenty-two thousand dollars;

12 (c) A refundable credit as provided in section 77-5209.01
13 for individuals who qualify for an income tax credit as a qualified
14 beginning farmer or livestock producer under the Beginning Farmer
15 Tax Credit Act for all taxable years beginning or deemed to begin
16 on or after January 1, 2006, under the Internal Revenue Code of
17 1986, as amended;

18 (d) A refundable credit for individuals who qualify for
19 an income tax credit under the Nebraska Advantage Microenterprise
20 Tax Credit Act or the Nebraska Advantage Research and Development
21 Act; and

22 (e) A refundable credit equal to ten percent of the
23 federal credit allowed under section 32 of the Internal Revenue
24 Code of 1986, as amended.

25 (3) There shall be allowed to all individuals as a
26 nonrefundable credit against the income tax imposed by the Nebraska
27 Revenue Act of 1967:

1 (a) A credit for personal exemptions allowed under
2 section 77-2716.01;

3 (b) A credit for contributions to certified community
4 betterment programs as provided in the Community Development
5 Assistance Act. Each partner, each shareholder of an electing
6 subchapter S corporation, each beneficiary of an estate or trust,
7 or each member of a limited liability company shall report his or
8 her share of the credit in the same manner and proportion as he
9 or she reports the partnership, subchapter S corporation, estate,
10 trust, or limited liability company income; and

11 (c) A credit for investment in a biodiesel facility as
12 provided in section 77-27,236.

13 (4) There shall be allowed as a credit against the income
14 tax imposed by the Nebraska Revenue Act of 1967:

15 (a) A credit to all resident estates and trusts for taxes
16 paid to another state as provided in section 77-2730;

17 (b) A credit to all estates and trusts for contributions
18 to certified community betterment programs as provided in the
19 Community Development Assistance Act; and

20 (c) A refundable credit for individuals who qualify for
21 an income tax credit as an owner of agricultural assets under the
22 Beginning Farmer Tax Credit Act for all taxable years beginning
23 or deemed to begin on or after January 1, 2009, under the
24 Internal Revenue Code of 1986, as amended. The credit allowed
25 for each partner, shareholder, member, or beneficiary of a
26 partnership, corporation, limited liability company, or estate
27 or trust qualifying for an income tax credit as an owner of

1 agricultural assets under the Beginning Farmer Tax Credit Act
2 shall be equal to the partner's, shareholder's, member's, or
3 beneficiary's portion of the amount of tax credit distributed
4 pursuant to subsection (4) of section 77-5211; ~~and-~~

5 (d) A nonrefundable credit for individuals or entities
6 who qualify for an income tax credit under the Agritourism
7 Insurance Act. Each partner, each shareholder of an electing
8 subchapter S corporation, each beneficiary of an estate or trust,
9 or each member of a limited liability company shall report his or
10 her share of the credit in the same manner and proportion as he
11 or she reports the partnership, subchapter S corporation, estate,
12 trust, or limited liability company income.

13 (5) (a) For all taxable years beginning on or after
14 January 1, 2007, and before January 1, 2009, under the Internal
15 Revenue Code of 1986, as amended, there shall be allowed to each
16 partner, shareholder, member, or beneficiary of a partnership,
17 subchapter S corporation, limited liability company, or estate or
18 trust a nonrefundable credit against the income tax imposed by
19 the Nebraska Revenue Act of 1967 equal to fifty percent of the
20 partner's, shareholder's, member's, or beneficiary's portion of the
21 amount of franchise tax paid to the state under sections 77-3801 to
22 77-3807 by a financial institution.

23 (b) For all taxable years beginning on or after January
24 1, 2009, under the Internal Revenue Code of 1986, as amended,
25 there shall be allowed to each partner, shareholder, member, or
26 beneficiary of a partnership, subchapter S corporation, limited
27 liability company, or estate or trust a nonrefundable credit

1 against the income tax imposed by the Nebraska Revenue Act of 1967
2 equal to the partner's, shareholder's, member's, or beneficiary's
3 portion of the amount of franchise tax paid to the state under
4 sections 77-3801 to 77-3807 by a financial institution.

5 (c) Each partner, shareholder, member, or beneficiary
6 shall report his or her share of the credit in the same manner
7 and proportion as he or she reports the partnership, subchapter S
8 corporation, limited liability company, or estate or trust income.
9 If any partner, shareholder, member, or beneficiary cannot fully
10 utilize the credit for that year, the credit may not be carried
11 forward or back.

12 Sec. 9. Section 77-2717, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 77-2717 (1)(a) The tax imposed on all resident estates
15 and trusts shall be a percentage of the federal taxable income
16 of such estates and trusts as modified in section 77-2716, plus
17 a percentage of the federal alternative minimum tax and the
18 federal tax on premature or lump-sum distributions from qualified
19 retirement plans. The additional taxes shall be recomputed by (i)
20 substituting Nebraska taxable income for federal taxable income,
21 (ii) calculating what the federal alternative minimum tax would
22 be on Nebraska taxable income and adjusting such calculations for
23 any items which are reflected differently in the determination of
24 federal taxable income, and (iii) applying Nebraska rates to the
25 result. The federal credit for prior year minimum tax, after the
26 recomputations required by the Nebraska Revenue Act of 1967, and
27 the credits provided in the Nebraska Advantage Microenterprise Tax

1 Credit Act, ~~and~~ the Nebraska Advantage Research and Development
2 Act, and the Agritourism Insurance Act shall be allowed as a
3 reduction in the income tax due. A refundable income tax credit
4 shall be allowed for all resident estates and trusts under the
5 Nebraska Advantage Microenterprise Tax Credit Act and the Nebraska
6 Advantage Research and Development Act.

7 (b) The tax imposed on all nonresident estates and trusts
8 shall be the portion of the tax imposed on resident estates and
9 trusts which is attributable to the income derived from sources
10 within this state. The tax which is attributable to income derived
11 from sources within this state shall be determined by multiplying
12 the liability to this state for a resident estate or trust with
13 the same total income by a fraction, the numerator of which is
14 the nonresident estate's or trust's Nebraska income as determined
15 by sections 77-2724 and 77-2725 and the denominator of which is
16 its total federal income after first adjusting each by the amounts
17 provided in section 77-2716. The federal credit for prior year
18 minimum tax, after the recomputations required by the Nebraska
19 Revenue Act of 1967, reduced by the percentage of the total income
20 which is attributable to income from sources outside this state,
21 and the credits provided in the Nebraska Advantage Microenterprise
22 Tax Credit Act, ~~and~~ the Nebraska Advantage Research and Development
23 Act, and the Agritourism Insurance Act shall be allowed as a
24 reduction in the income tax due. A refundable income tax credit
25 shall be allowed for all nonresident estates and trusts under the
26 Nebraska Advantage Microenterprise Tax Credit Act and the Nebraska
27 Advantage Research and Development Act.

1 (2) In all instances wherein a fiduciary income tax
2 return is required under the provisions of the Internal Revenue
3 Code, a Nebraska fiduciary return shall be filed, except that a
4 fiduciary return shall not be required to be filed regarding a
5 simple trust if all of the trust's beneficiaries are residents of
6 the State of Nebraska, all of the trust's income is derived from
7 sources in this state, and the trust has no federal tax liability.
8 The fiduciary shall be responsible for making the return for the
9 estate or trust for which he or she acts, whether the income be
10 taxable to the estate or trust or to the beneficiaries thereof.
11 The fiduciary shall include in the return a statement of each
12 beneficiary's distributive share of net income when such income is
13 taxable to such beneficiaries.

14 (3) The beneficiaries of such estate or trust who are
15 residents of this state shall include in their income their
16 proportionate share of such estate's or trust's federal income and
17 shall reduce their Nebraska tax liability by their proportionate
18 share of the credits as provided in the Nebraska Advantage
19 Microenterprise Tax Credit Act, and the Nebraska Advantage Research
20 and Development Act, and the Agritourism Insurance Act. There shall
21 be allowed to a beneficiary a refundable income tax credit under
22 the Beginning Farmer Tax Credit Act for all taxable years beginning
23 or deemed to begin on or after January 1, 2001, under the Internal
24 Revenue Code of 1986, as amended.

25 (4) If any beneficiary of such estate or trust is a
26 nonresident during any part of the estate's or trust's taxable
27 year, he or she shall file a Nebraska income tax return which

1 shall include (a) in Nebraska adjusted gross income that portion
2 of the estate's or trust's Nebraska income, as determined under
3 sections 77-2724 and 77-2725, allocable to his or her interest
4 in the estate or trust and (b) a reduction of the Nebraska tax
5 liability by his or her proportionate share of the credits as
6 provided in the Nebraska Advantage Microenterprise Tax Credit Act,
7 ~~and~~ the Nebraska Advantage Research and Development Act, and the
8 Agritourism Insurance Act and shall execute and forward to the
9 fiduciary, on or before the original due date of the Nebraska
10 fiduciary return, an agreement which states that he or she will
11 file a Nebraska income tax return and pay income tax on all income
12 derived from or connected with sources in this state, and such
13 agreement shall be attached to the Nebraska fiduciary return for
14 such taxable year.

15 (5) In the absence of the nonresident beneficiary's
16 executed agreement being attached to the Nebraska fiduciary return,
17 the estate or trust shall remit a portion of such beneficiary's
18 income which was derived from or attributable to Nebraska sources
19 with its Nebraska return for the taxable year. The amount of
20 remittance, in such instance, shall be the highest individual
21 income tax rate determined under section 77-2715.02 multiplied by
22 the nonresident beneficiary's share of the estate or trust income
23 which was derived from or attributable to sources within this
24 state. The amount remitted shall be allowed as a credit against the
25 Nebraska income tax liability of the beneficiary.

26 (6) The Tax Commissioner may allow a nonresident
27 beneficiary to not file a Nebraska income tax return if the

1 nonresident beneficiary's only source of Nebraska income was his or
2 her share of the estate's or trust's income which was derived from
3 or attributable to sources within this state, the nonresident did
4 not file an agreement to file a Nebraska income tax return, and
5 the estate or trust has remitted the amount required by subsection
6 (5) of this section on behalf of such nonresident beneficiary. The
7 amount remitted shall be retained in satisfaction of the Nebraska
8 income tax liability of the nonresident beneficiary.

9 (7) For purposes of this section, unless the context
10 otherwise requires, simple trust shall mean any trust instrument
11 which (a) requires that all income shall be distributed currently
12 to the beneficiaries, (b) does not allow amounts to be paid,
13 permanently set aside, or used in the tax year for charitable
14 purposes, and (c) does not distribute amounts allocated in the
15 corpus of the trust. Any trust which does not qualify as a simple
16 trust shall be deemed a complex trust.

17 (8) For purposes of this section, any beneficiary of an
18 estate or trust that is a grantor trust of a nonresident shall be
19 disregarded and this section shall apply as though the nonresident
20 grantor was the beneficiary.

21 Sec. 10. Section 77-2734.03, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 77-2734.03 (1)(a) For taxable years commencing prior to
24 January 1, 1997, any (i) insurer paying a tax on premiums and
25 assessments pursuant to section 77-908 or 81-523, (ii) electric
26 cooperative organized under the Joint Public Power Authority Act,
27 or (iii) credit union shall be credited, in the computation of

1 the tax due under the Nebraska Revenue Act of 1967, with the
2 amount paid during the taxable year as taxes on such premiums and
3 assessments and taxes in lieu of intangible tax.

4 (b) For taxable years commencing on or after January 1,
5 1997, any insurer paying a tax on premiums and assessments pursuant
6 to section 77-908 or 81-523, any electric cooperative organized
7 under the Joint Public Power Authority Act, or any credit union
8 shall be credited, in the computation of the tax due under the
9 Nebraska Revenue Act of 1967, with the amount paid during the
10 taxable year as (i) taxes on such premiums and assessments included
11 as Nebraska premiums and assessments under section 77-2734.05 and
12 (ii) taxes in lieu of intangible tax.

13 (c) For taxable years commencing or deemed to commence
14 prior to, on, or after January 1, 1998, any insurer paying a tax on
15 premiums and assessments pursuant to section 77-908 or 81-523 shall
16 be credited, in the computation of the tax due under the Nebraska
17 Revenue Act of 1967, with the amount paid during the taxable year
18 as assessments allowed as an offset against premium and related
19 retaliatory tax liability pursuant to section 44-4233.

20 (2) There shall be allowed to corporate taxpayers a
21 tax credit for contributions to community betterment programs as
22 provided in the Community Development Assistance Act.

23 (3) There shall be allowed to corporate taxpayers a
24 refundable income tax credit under the Beginning Farmer Tax Credit
25 Act for all taxable years beginning or deemed to begin on or
26 after January 1, 2001, under the Internal Revenue Code of 1986, as
27 amended.

1 (4) The changes made to this section by Laws 2004, LB
2 983, apply to motor fuels purchased during any tax year ending
3 or deemed to end on or after January 1, 2005, under the Internal
4 Revenue Code of 1986, as amended.

5 (5) There shall be allowed to corporate taxpayers
6 refundable income tax credits under the Nebraska Advantage
7 Microenterprise Tax Credit Act and the Nebraska Advantage Research
8 and Development Act.

9 (6) There shall be allowed to corporate taxpayers a
10 nonrefundable income tax credit for investment in a biodiesel
11 facility as provided in section 77-27,236.

12 (7) There shall be allowed to corporate taxpayers a
13 nonrefundable income tax credit for small agritourism businesses as
14 provided in the Agritourism Insurance Act.

15 Sec. 11. Original sections 77-2715.07, 77-2717, and
16 77-2734.03, Reissue Revised Statutes of Nebraska, and section
17 13-2704, Reissue Revised Statutes of Nebraska, as amended by
18 section 8, Legislative Bill 3, One Hundred First Legislature, First
19 Special Session, 2009, are repealed.